

Safety Maintenance Account

through month of November 2019

(Fiscal Year — July 1, 2019 to June 30, 2020)

	Fiscal Year 2019-20		Fiscal Year 2018-19	All Activity Since Act 40 Inception (1)
	Month of November	Fiscal Year Year to Date	Fiscal Year Total	
Beginning balance	\$ 16,340,759	\$ 9,784,128	\$ 16,507,090	\$ —
Receipts				
Out of state registration fees (4).....	1,926,000	8,173,250	20,072,347	44,701,808
Investment earnings on Safety Maintenance Account balances.....	64,823	374,204	453,292	878,375
Transfer from IMTF to cover shortfall (2).....	—	—	12,751,399	12,751,399
Total Receipts	1,990,823	8,547,454	33,277,038	58,331,582
Disbursements				
Transfer to Department of Revenue to cover anticipated Preventative Maintenance Tax Credits (3).....	—	—	(40,000,000)	(40,000,000)
Ending balance	\$ 18,331,582	\$ 18,331,582	\$ 9,784,128	\$ 18,331,582

(1) Act 40 — the South Carolina Infrastructure and Economic Development Reform Act — became effective July 1, 2017. Act 40 established the Safety Maintenance Account (SMA). The Act restricted the use of SMA receipts to fund state individual income tax credits for preventative maintenance costs incurred on private passenger vehicles. The registration fees deposited into the SMA are derived from vehicles originally registered in another state and then subsequently registered in South Carolina.

(2) For FY2018-19, funds accumulated in the SMA were insufficient to fund \$40 million of anticipated Preventative Maintenance Tax Credits for the 2018 tax year that had been estimated by the S.C. Revenue and Fiscal Affairs Office. As a result, \$12,751,399 was transferred in January 2019 from the Infrastructure Maintenance Trust Fund (IMTF) to the SMA to cover the projected shortfall as authorized by a budget proviso of the FY2018-19 General Appropriations Act.

(3) In January 2019, \$40 million was transferred from the SMA to the S.C. Department of Revenue (SCDOR) to fund anticipated Preventative Maintenance Tax Credits for the 2018 tax year as estimated by the S.C. Revenue and Fiscal Affairs Office. Based on actual 2018 individual income tax returns filed with SCDOR, only \$1.6 million of 2018 Preventative Maintenance Tax Credits were actually claimed by taxpayers. By the end of the calendar year, SCDOR will return the unused portion of the \$40 million transferred amount.

(4) SCDMV reports its collection of these fees on a one month delay.